

DISCLAIMER

This electronic version of an SCC order is for informational purposes only and is not an official document of the Commission. An official copy may be obtained from the [Clerk of the Commission, Document Control Center](#).

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, MAY 4, 2001

APPLICATION OF

VIRGINIA ELECTRIC AND POWER COMPANY

CASE NO. PUE000343

For approval of Generation
Facilities pursuant to Virginia
Code § 56-580 D or, in the Alternative,
for Approval of expenditures pursuant
to Virginia Code § 56-234.3 and for a
Certificate of Public Convenience and
Necessity pursuant to Virginia Code
§ 56-265.2

and

APPLICATION OF

VIRGINIA ELECTRIC AND POWER COMPANY

CASE NO. PUF000021

For authority under Chapters 3, 4,
and 5 of Title 56 of the Code of
Virginia to participate in lease
financing arrangements for
arrangements for construction of
generation facilities, and for a
declaration of non-jurisdiction

ORDER DIRECTING FILING OF DOCUMENTS

On March 12, 2001, the State Corporation Commission
("Commission") entered its Final Order in the captioned matter,
and, among other things, granted approval to Virginia Electric
and Power Company ("Virginia Power" or "the Company") to

construct, acquire and operate the generating units at the Possum Point Station, as more specifically described in the Company's June 16, 2000, application docketed as Case No. PUE000343 and its July 5, 2001 application docketed as Case No. PUF000021. That Order also approved the financing for the Possum Point Project, as that financing proposal was modified by the Commission's November 17, 2000, Order entered in Case No. PUF000021 and Exhibit 1 attached to Exhibit LTO-13.

On April 2, 2001, acting in response to a Petition for Reconsideration and Motion to Amend Final Order ("Petition") filed by Virginia Power on March 30, 2001, we granted reconsideration of the March 12, 2001 Final Order for the limited purpose of considering the issues raised in the Company's Petition. Among other things, that Order directed Virginia Power to file revised agreements forthwith in Case Nos. PUE000343 and PUF000021, to indicate its proposals to revise the synthetic lease financing approved in those dockets.

On April 23, 2001, Counsel for Virginia Power advised the Commission by letter that the synthetic lease financing as set forth in Virginia Power's Petition for Reconsideration and Motion to Amend Final Order does not affect or require revisions to the sublease and memorandum of understanding between Virginia Power and Dominion Equipment II, Inc. filed in this proceeding.

Staff has advised that, in response to Staff's interrogatory and request for production of documents No. 23, the Company provided copies, on April 27, 2001, of its Operating and Maintenance Agreement ("O&M") and the Pipeline Construction Contract ("Construction") between itself and Dominion Transmission, Inc. ("DTI") in Case No. PUE000741. Virginia Power's counsel has represented to Staff that the necessary changes to allow the proceeds of synthetic lease financing approved by the Commission in Case Nos. PUE000343 and PUF000021 to be used to finance the remainder of the pipeline, are included in these documents.

NOW, AFTER CONSIDERATION of the record filed in the captioned matter, the Company's Petition, the Affidavit of Thorald A. Evans appended to the Petition, the April 23, 2001 Letter of Counsel, and having been advised by our Staff, it is apparent that the O & M and Construction Agreements with DTI should be filed in the captioned cases. Additionally, the Company should be required to identify any additional documents that need to be either executed or modified to include the \$10 million related to the natural gas pipeline in its synthetic lease financing.

Therefore, we will direct the Company to file by no later than May 8, 2001, the O & M and Construction Agreements in Case Nos. PUE000343 and PUF000021, and to identify any additional

documentation, new agreements or other revised agreements related to including an additional \$10 million for the gas pipeline in the Company's synthetic lease. We further direct that the Company respond to any Staff data requests or requests for the production of documents and things regarding financing for the pipeline and the increase in additional costs to construct Unit 6 within five (5) calendar days of receipt of any such request. Moreover, we find that interested parties of record in this proceeding should be given an opportunity to file comments on the Company's Motion to Amend the March 12, 2001 Final Order; and that this matter should be continued generally.

Accordingly, IT IS ORDERED THAT:

(1) On or before May 8, 2001, Virginia Power shall file with the Clerk of the Commission in the captioned dockets its O&M Agreement and Construction Agreement and shall identify any additional documentation, new agreements, or revised agreements necessary to include an additional \$10 million for the natural gas pipeline as part of the Company's synthetic lease financing.

(2) The Company shall respond to any Staff data requests or requests for the production of documents and things regarding the pipeline and increase in costs to construct Unit 6 within five (5) calendar days of the receipt of any such requests.

(3) On or before May 11, 2001, any interested party of record in this proceeding shall file its comments on the

Company's Motion to Amend the March 12, 2001 Final Order with the Clerk of the Commission.

(4) This matter shall be continued generally, pending further Order of the Commission.